

COMMITTEE LANGUAGE FOR FISCAL YEAR 2004

**E-2C (EARLY WARNING) HAWKEYE MYP
ACCOUNT: APN**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
(2) 211,097	(2) 211,097	(2) 211,097	(2) 211,097	(2) 211,097	(2) 211,097	(2) 211,097

**E-2C (EARLY WARNING) HAWKEYE (AP-CY)
ACCOUNT: APN**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
17,409	17,409	17,409	17,409	17,409	17,409	17,409

**E-2 SERIES
ACCOUNT: APN**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
43,139	43,139	43,139	43,139	48,139	43,139	43,139

**E-2C RADAR MODERNIZATION
ACCOUNT: RDT&E**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
352,298	352,298	352,298	352,298	347,298	352,298	347,298

**E-2 SQUADRONS
ACCOUNT: RDT&E**

PRESBUD	HASC	SASC	CASC	HAC	SAC	CAC
9,083	9,083	9,083	9,083	20,083	14,083	19,783

HASC LANGUAGE (Rpt. 108-106)

Pages 52 and 53, Aircraft Procurement, Navy

13 E-2C (EARLY WARNING) HAWKEYE (MYP)	2	238,063	2	238,063
13 E-2C (EARLY WARNING) HAWKEYE (MYP)	-	(26,966)	-	(26,966)
14 E-2C (EARLY WARNING) HAWKEYE (MYP)	-	-	-	-
14 E-2C (EARLY WARNING) HAWKEYE (MYP)	-	-	-	-
14 E-2C (EARLY WARNING) HAWKEYE (MYP)	-	17,409	-	17,409
14 E-2C (EARLY WARNING) HAWKEYE (MYP)	-	-	-	-

Page 54, Aircraft procurement, Navy

38 S-3 SERIES	-	8,364	-	8,364
39 E-2 SERIES	-	43,139	-	43,139
40 TRAINER A/C SERIES	-	10,497	-	10,497

0604231N	88 Tactical Command System	60,000	60,000
0604234N	100 E-2C Radar Modernization	352,298	352,298
0604235N	100 E-2C Radar Modernization	60,000	60,000

0204138N	174 F/A-18 Squadrons	179,047	179,047
0204152N	175 E-2 Squadrons	9,083	9,083
0204153N	175 E-2 Squadrons	10,404	10,404

Section 124—Multiyear Procurement Authority for E-2C Aircraft Program

This section would authorize the Secretary of the Navy to enter into a four-year multiyear procurement contract for E-2C and TE-2C aircraft and their associated engines beginning with the fiscal year 2004 program year.

Multiyear procurement

In most cases, purchases of weapon systems are authorized annually, and as a result, DoD negotiates a separate contract for each annual purchase. In a small number of cases, the law permits multiyear procurement; that is, it allows DoD to enter into a contract to buy specified annual quantities of a system for up to five years. In those cases, DoD can negotiate lower prices because its commitment to purchase the weapons gives the contractor an incentive to find more economical ways to manufacture the weapon, including cost-saving investments. Annual funding is provided for these multiyear contracts, but potential termination costs are covered by an initial appropriation.

TABLE 3.—ESTIMATED AUTHORIZATIONS OF APPROPRIATIONS FOR SELECTED PROVISIONS IN H.R. 1588

Category	By fiscal year, in millions of dollars				
	2004	2005	2006	2007	2008
MULTIYEAR PROCUREMENT					
F/A-18E/F Aircraft	0	166	205	211	236
Tactical Tomahawk Missile	3	40	43	32	23
Virginia Class Submarines	275	210	64	613	613
E-2C and TE-2C Aircraft and Engines	62	2	0	2	0

Section 124 would authorize the Secretary of the Navy to enter into a four-year multiyear contract to purchase four E-2C aircraft, four TE-2C aircraft, and 16 engines for these aircraft, beginning in 2004. CBO estimates that savings from buying these aircraft and engines under a multiyear contract would total almost \$60 million, or about \$15 million a year, over the 2004–2007 period. Funding requirements would total just over \$950 million over the 2004–2007 period (instead of the roughly \$1 billion that would be needed under annual contracts).

SASC LANGUAGE (Rpt. 108-46)

13	E-2C (EARLY WARNING) HAWKEYE (MYP)	2	211,097	2	211,097
14	E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-CY)		17,409		17,409

39	E-2 SERIES	43,139	43,139
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0004231N	77	TACTICAL COMMAND SYSTEM	00,000	00,000
0604234N	100	E-2C RADAR MODERNIZATION	352,298	352,298
0004231N	77	TACTICAL COMMAND SYSTEM	00,000	00,000

0204130N	174	F/A-18 SQUADRONS	17,083	17,083
0204152N	175	E-2 SQUADRONS	9,083	9,083
0204130N	174	F/A-18 SQUADRONS	17,083	17,083

Multiyear procurement authority for Navy programs (sec. 121)

The committee recommends a provision that would authorize the Secretary of the Navy to enter into a multiyear contract for procurement of the following: (1) the F/A-18 aircraft program; (2) the E-2C aircraft program; (3) the Tactical Tomahawk cruise missile program; and, (4) the *Virginia*-class submarine program. This would be the second consecutive multiyear procurement authorization for the F/A-18 aircraft. A separate multiyear procurement was authorized for the F/A-18 aircraft engines in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107). The committee encourages the Navy to synchronize the multiyear procurement of the F/A-18 aircraft and its engines at the earliest opportunity.

The E-2C aircraft multiyear procurement would stabilize the industrial base for low rate production during the development of the follow-on aircraft, the E-2 Advanced Hawkeye.

The Tactical Tomahawk cruise missile is currently scheduled to complete Initial Operational Test and Evaluation (IOT&E) in March, 2004. The committee recommends a limitation in the provision that would delay award of a multiyear procurement contract for the Tactical Tomahawk cruise missile until, as a result of operational testing, the missile is recommended for use in the fleet.

The first submarine of the *Virginia*-class is nearing completion, with delivery scheduled in fiscal year 2004. Its design stability is evident from the low number of engineering change orders when compared to any other submarine at this stage of construction.

Substantial savings can be achieved through an award of a multiyear procurement contract.

CASC LANGUAGE (Rpt. 108-354)

13	E-2C (EARLY WARNING) HAWKEYE (MYP)	2	211,097	2	211,097	2	211,097	2	211,097
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14	E-2C (EARLY WARNING) HAWKEYE (MYP) (AP- Airlift Aircraft Airlift Aircraft	17,409	17,409	17,409	17,409
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10	E-2 SERIES	43,139	43,139	43,139	43,139
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0604234N	100	E-2C RADAR MODERNIZATION	352,298	352,298	352,298	352,298
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0204152N	175	E-2 SQUADRONS	9,083	9,083	9,083	9,083
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Multiyear procurement authority for E-2C aircraft program (sec.124)

The House bill contained a provision (sec. 124) that would authorize the Secretary of the Navy to enter into multiyear procurement contracts for the procurement of four E-2C aircraft, four TE-2C aircraft, and 16 engines for aircraft in the E-2C or TE-2C configuration. The provision would limit the period of the contract to four program years. The Senate amendment contained a provision (sec. 121) that would authorize the Secretary to enter into multiyear procurement contracts for a number of Navy programs, including the E-2C aircraft program. The Senate recedes with an amendment that would authorize the Secretary to enter into multiyear procurement contracts for E-2C aircraft, TE-2C aircraft, and engines for aircraft in the E-2C and TE-2C configurations, with the period of the contract limited to four program years.

HAC LANGUAGE (Rpt. 108-187)

39 E-2 SERIES	43,139	48,139	+5,000
Accelerate design modifications for critical warfighting enhancements			+5,000

E-2C (EARLY WARNING) HAWKEYE (MYP)	2	211,097	2	211,097	---	---
E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-CY)	---	17,409	---	17,409	---	---

E-2 SERIES	---	43,139	---	48,139	---	+5,000
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100 E-2C RADAR MODERNIZATION	352,298	347,298	-5,000
Excessive management support costs			-5,000

E-2C RADAR MODERNIZATION	352,298	347,298	-5,000
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175 E-2 SQUADRONS	9,083	20,083	+11,000
Non-Cooperative Combat Identification Capability			+2,000
E2C Program Support Activity (Note: only for SBIR Phase III development of a rapid technology insertion program)			+5,000
PMRF Net-Centric Test Bed/Advanced Hawkeye Testing			+4,000

E-2 SQUADRONS	9,083	20,083	+11,000
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Contains no language.

SAC LANGUAGE, (Rpt. 108-87)

13 E-2C (EARLY WARNING) HAWKEYE (MYP)	2	211,097	2	211,097
14 E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-CY)	17,409	17,409

39 E-2 SERIES	43,139	43,139
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100 E-2C RADAR MODERNIZATION	352,298	352,298
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175 E-2 SQUADRONS	9,083	14,083	+ 5,000
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175 E-2 SQUADRONS	9,083	14,083	+ 5,000
Network Centric Warfare Testbed	+ 5,000

Contains no language.

CAC LANGUAGE (Rpt. 108-283)

E-2C (EARLY WARNING) HAWKEYE (MYP)	211,097	211,097	211,097	211,097
E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-CY)	17,409	17,409	17,409	17,409

E-2 SERIES	43,139	48,139	43,139	49,139
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Page 264, RDT&E, Navy

E-2C RADAR MODERNIZATION.....	352,298	347,298	352,298	347,298
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Page 281, RDT&E, Navy

100 E-2C RADAR MODERNIZATION	352,298	347,298	352,298	347,298
Excessive management support costs		-5,000		-5,000

Page 266, RDT&E, Navy

E-2 SQUADRONS.....	9,083	20,083	14,083	19,783
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Page 287, RDT&E, Navy

175 E-2 SQUADRONS	9,083	20,083	14,083	19,783
Non-Cooperative Combat Identification Capability		+2,000		+1,700
E-2C Program Support Activity (Note: only for SBIR Phase III development of a rapid technology insertion program)		+5,000		+3,500
E-2C Program Support Activity (Note: only for SBIR to perform environmental, ground, and flight tests on magneto rheological engineering development model)				+1,000
PMRF Network Centric Warfare Test Bed/Advanced Hawkeye Testing		+4,000	+5,000	+4,500

Contains no language.